

**TAX CREDIT FOR VOLUNTEER SERVICE BY
A HEALTH CARE PROFESSIONAL**

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen D. Clark

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends the Individual Income Tax Act to provide a nonrefundable tax credit.

Highlighted Provisions:

This bill:

- defines terms;
- provides a nonrefundable tax credit for volunteer service by a health care professional; and
- provides procedures and requirements for claiming the tax credit.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill has retrospective operation for taxable years beginning on or after January 1, 2006.

Utah Code Sections Affected:

ENACTS:

59-10-134.3, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-10-134.3** is enacted to read:



59-10-134.3. Nonrefundable tax credit for volunteer service by a health care professional.

(1) As used in this section:

(a) (i) "Claimant" means a resident or nonresident individual who:

(A) is a health care professional; and

(B) has state taxable income under Part 1, Determination and Reporting of Tax

Liability and Information.

(ii) "Claimant" does not include a:

(A) nonresident estate;

(B) resident estate;

(C) nonresident trust; or

(D) resident trust.

(b) "Health care facility" is as defined in Section 58-13-3.

(c) "Health care professional" is as defined in Section 58-13-3.

(d) "Remuneration or compensation" is as defined in Section 58-13-3.

(e) "Total hours of volunteer service" is a time period:

(i) equal to the total number of hours of volunteer service a claimant performs during a taxable year; and

(ii) calculated by:

(A) adding each:

(I) whole hour of volunteer service; and

(II) portion of an hour of volunteer service; and

(B) if the total number of hours of volunteer service added under Subsection

(1)(e)(ii)(A) is not in whole hour increments, that total number of hours of volunteer service shall be rounded up to the next whole hour.

(f) "Volunteer service" means health care treatment provided by a health care professional at or on behalf of a health care facility if:

(i) the health care treatment is within the scope of the health care professional's license under Title 58, Occupations and Professions; and

(ii) neither the health care professional nor the health care facility receives remuneration or compensation for the treatment.

59 (2) For taxable years beginning on or after January 1, 2006, a claimant may claim a
60 nonrefundable tax credit:

61 (a) as provided in this section; and

62 (b) against taxes otherwise due under this chapter.

63 (3) Except as provided in Subsection (4), the amount of the tax credit under Subsection
64 (2) is an amount equal to the product of:

65 (a) the total hours of volunteer service the claimant performs during the taxable year;
66 and

67 (b) \$50.

68 (4) A tax credit under this section may not exceed \$5,000 for any taxable year.

69 (5) (a) For any taxable year for which a claimant claims a tax credit under this section,
70 the claimant shall obtain a written statement from each health care facility:

71 (i) at or on behalf of which the claimant provides volunteer service for which the
72 claimant claims a tax credit under this section; and

73 (ii) listing the total hours of volunteer service performed by the claimant during the
74 taxable year.

75 (b) A claimant shall retain the written statement described in Subsection (5)(a) for
76 three years after the date the return is filed claiming the tax credit.

77 (6) A claimant may not carry forward or carry back a tax credit under this section.

78 Section 2. **Retrospective operation.**

79 This bill has retrospective operation for taxable years beginning on or after January 1,
80 2006.

Legislative Review Note

as of 2-3-06 12:57 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel